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Farm Broadcasters Letter

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CORN TO USSR

Private exporters reported to the U.S. Department of Agriculture export sales of 350,000 metric tons of corn for delivery to the USSR during the 1987-88 marketing year. Sales of corn to the USSR for delivery during the fifth year of the Long Term Grain Agreement total 2,020,500 tons.

MORE WHEAT TO USSR

The USSR continues to buy U.S. wheat. On Feb. 23, private exporters reported to the U.S. Department of Agriculture the export sales of 650,000 metric tons of wheat to the USSR. The sales included 450,000 tons of hard red winter and 200,000 tons of hard red spring for delivery to the USSR during the 1987-88 marketing year. Wheat sales to the USSR for delivery during the fifth year of the Long Term Grain Agreement now total 6,333,900 tons.

EC & GRAIN POLICIES

The European Community adopted an agreement aimed at budgetary reform that includes an increase in member state contributions to the EC budget, a cap on the rate of growth in EC agriculture spending, automatic price cuts when production exceeds established maximum guaranteed quantities for grains and oilseeds, a land set aside program and a doubling of regional development funds by 1993.

EC PROTESTS EEP

Oilseed crushers in the European Community protested U.S. Vegetable Oil Enhancement Programs in a letter to U.S. Congressional representatives. According to the U.S. Department of Agriculture, the U.S. has announced Export Enhancement Programs for 585,000 tons of vegetable oil to compete against subsidized competitors. EC oilseed policies subsidize oilseed production, crushing and exports. EC oil crushing subsidies are resulting in indirect subsidies for vegetable oil exports.

CANADA CUTS DUTY ON CORN

Canada has cut the duty on corn. This means that U.S. corn shipped into Canada will cost 64 Canadian cents less per bushel, according to the U.S. Department of Agriculture. The duty was cut from Canadian \$1.10 per bushel to Canadian 46 cents per bushel. Commitments of U.S. corn to Canada dropped from 236,000 tons to 50,000 tons after the duty was imposed. While no immediate trade impact is expected from this price reduction, it could assist in returning U.S. exports to Canada to the annual pre-1986 level of about 350,000 tons.

WHEAT STOCKS
LOWEST SINCE
1981/82

U.S. wheat exports in 1987/88 are forecast to increase more than 50 percent from last year, reducing U.S. ending stocks to their lowest level since 1981/82, according to the U.S. Department of Agriculture. Lower U.S. loan rates and the Export Enhancement Program have improved U.S. competitiveness in world wheat markets. Also supplies of quality wheat are down from 1986/87 in a number of major importing and competing exporting countries. By the end of 1987/88, total wheat disappearance will reach a record-high 2 billion 660 million bushels, and year-end stocks, one billion 281 million, the lowest level in 6 years.

WHEAT PRICES
UP

The prices of wheat were boosted well above their harvest lows of slightly more than the \$4.28-a-bushel loan rate. According to the U.S. Department of Agriculture, this was due to the expanding demand prospects and shrinking stocks. Preliminary January 1988 U.S. average prices received by farmers are up 45 cents a bushel from the low of last July. The simple average of prices this season through January, at \$2.55 per bushel, is 17 cents above a year earlier. The average farm price is forecast at \$2.55 to \$2.65 a bushel, compared with \$2.42 last year. The higher prices in 1987/88 will be the first year-to-year increase since 1983/84.

EAST EUROPE
NEEDS CORN

Yugoslavia is finding itself in the role of net corn importer, as opposed to the net corn exporter it has been for the past several years. The U.S. Department of Agriculture attache in Belgrade reports Yugoslavian corn exports for 1987/88 could be down to only 300,000 tons, while corn imports in 1987/88 are expected to increase to about 500,000 tons. This could mean an additional 500,000 tons of feed grain import demand from Yugoslavia and other East European countries that normally purchase Yugoslav corn. Over the next several months, only the U.S. and the European Community will be in a position to supply this additional corn demand.

MORE MEAT,
SMALLER RISE IN
FOOD PRICES

Meat production in 1988 will be up 5 pounds per capita from last year's record, according to the U.S. Department of Agriculture. Increase in pork and poultry output will more than offset reductions in beef. Prices received by farmers for livestock products will be lower and feed costs higher. Mainly because of the large meat production, consumers will see a smaller rise in retail food prices this year than the 4.2 percent in 1987.

HOG PROFITS
FALLING

Profits from hogs fell sharply in the final quarter of 1987 and will probably continue lower through most of 1988, according to the U.S. Department of Agriculture. Net returns in 1988 may average only slightly above breakeven. Prices for barrows and gilts could average in the low to middle \$40's, below 1987's \$52 per hundredweight.

TARIFFS &
BARRIERS
GONE BY
2000?

The impending Free Trade Agreement between the United States and Canada would eliminate all tariffs and some nontariff barriers between the two countries by the year 2000. Fruit and vegetables represent a major part of the agricultural trade between the two countries, and the U.S. growers of many of these commodities could benefit from increased trade.

FARMLAND
VALUES RISE

The farmland market strengthened during August-October 1987 from the quarter before, according to the U.S. Department of Agriculture. A survey of rural farm appraisers in early November indicated that a third of respondents thought land values had risen during August-October. Over half of respondents thought values were unchanged, while only a tenth thought values had fallen. Nationally, farmland values likely increased in 1987 for the first time since 1982, with strongest gains in the North central and Northeast regions.

BEEF PRICES

Prices for Choice fed steers at Omaha averaged \$64.60 per hundredweight in 1987, up from near \$58 in 1985 and 1986. According to the U.S. Department of Agriculture, prices this year may average near \$66, but record supplies of competing meats may hold down further gains as lower prices are expected for both pork and poultry.

LIVESTOCK
OUTLOOK &
SITUATION

Cattle and calves on farms and ranches on January 1, 1988, totaled 99 million head, down 3 percent from a year earlier and the lowest since 1961, according to the U.S. Department of Agriculture. Cow slaughter from beef and dairy herds declined 17 percent in 1987. About 15 percent of the cow herd was slaughtered, and the proportion may fall to around 14 percent in 1988. This is well below the 18-percent rate in 1986, at the height of the Dairy Termination Program.

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1604...(Weekly 13½ min documentary) In this edition of **AGRICULTURE USA**, Gary Crawford takes a look at government efforts to reduce the use of pesticides, herbicides and fertilizers by farmers...and to replace them with low input farming techniques.

AGRITAPE/FARM PROGRAM REPORT #1592...(Weekly reel of news features) USDA news highlights; Conservation compliance; Reclaiming Georgia soil; Farmer to farmer; Ag Day promo.

CONSUMER TIME #1084...(Weekly reel of 2½-3 min features) Planning your garden; Mushroom explosion; Getting your lawn in gear; Dog proofing your lawn; Spraying your way to a better looking lawn

USDA RADIO NEWS SERVICE...Tues, Mar. 1, Crop and weather; Wed, Mar. 2, Fruit and tree nut outlook; Mon, Mar. 7, World Cocoa situation. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

TELEVISION SERVICE programs, **A BETTER WAY**, **DOWN TO EARTH**, **AGRICULTURAL UPDATE** and **SATELLITE NEWS** are available on satellite Westar IV, audio 6.2 or 6.8 as follows:

Thursdays....**AG UPDATE/SATELLITE NEWS**, 7:30-7:45 p.m. ET.....Transponder 12D

Saturdays....**A BETTER WAY**, 10:00-10:30 a.m. ET.....Transponder 9X
 ORIGINAL **DOWN TO EARTH**, 10:30-11:00 a.m. ET.....Transponder 9X
 UPLINK **SATELLITE NEWS/AG UPDATE**, 11:00-11:15 a.m. ET.....Transponder 9X

Mondays.....**A BETTER WAY**, 8:00-8:30 a.m. ET.....Transponder 12D
 REPEAT **DOWN TO EARTH**, 8:30-9:00 a.m. ET....Transponder 12D
 UPLINK **SATELLITE NEWS/AG UPDATE**, 9:00-9:15 a.m. ET.....Transponder 12D

A BETTER WAY is also available on The Learning Channel SATCOM 3R, Transponder 2, Audio 6.8 each Friday 11:00 a.m. ET.

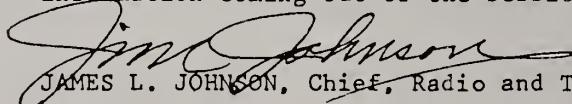
OFF MIKE

Many of you knew and had interviewed Don Houston, who for many years was administrator of USDA's Food Safety and Inspection Service and just recently had become administrator for Animal and Plant Health Inspection Service. Don died of cancer, February 19 ... We had a nice conversation the other day with Mike Ramsey (WRFD, Columbus, OH), and in the course of the conversation we learned that Mike and Sharon are expecting their first child in July. Mike said Sharon's glad it's July, because maybe Mike will be around when the baby comes. That wouldn't be the case in August during fair time, she said. She hardly ever sees Mike then. Sound familiar? ... Our Vic Powell (producer USDA Satellite TV News) brought an interesting statistic to our attention the other day. It said there are now 1.7 million backyard earth stations (we call them satellite dishes) in the U.S. We figured there must be a few, because every so often we receive a letter from someone who picked up one of our regular weekly TV offering off their satellite dish

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and wanted to know what else we had that they could watch ... We've been getting some indications that this newsletter is getting to you in a more orderly fashion. We hope so. The latest to update us is Murray Miles (Editor, Tennessee Farm Bureau News, Columbia, TN) There still seems to be too much of a lag between our writing it and it being printed. We're working on it ... Our Debbie Janifer (TV Producer, "Down to Earth") just returned from Raleigh, NC, where she covered the first of four bio-technology conferences USDA is holding. She worked with David Jenkins of North Carolina State University and Shawn Delong of Clemson University. Debbie came back with 8-10 interviews and was fascinated with the research information coming out of the sessions.


JAMES L. JOHNSON, Chief, Radio and Television Division